

By: Representative Rushing

To: Ways and Means

HOUSE BILL NO. 525

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE THE PERCENTAGE OF TOTAL SALES TAX REVENUE COLLECTED ON
 3 BUSINESS ACTIVITIES IN MUNICIPALITIES WITHIN THE STATE THAT IS
 4 DIVERTED TO MUNICIPALITIES; TO PROVIDE THAT AN ADDITIONAL AMOUNT
 5 OF THE TOTAL SALES TAX REVENUE COLLECTED ON BUSINESS ACTIVITIES IN
 6 MUNICIPALITIES WITHIN THE STATE WILL BE DIVERTED TO MUNICIPALITIES
 7 IF GENERAL FUND REVENUE COLLECTIONS INCREASE A CERTAIN AMOUNT; AND
 8 FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is
 11 amended as follows:

12 27-65-75. On or before the fifteenth day of each month, the
 13 revenue collected under the provisions of this chapter during the
 14 preceding month shall be paid and distributed as follows:

15 (1) (a) On or before August 15, 1992, and each succeeding
 16 month thereafter through July 15, 1993, eighteen percent (18%) of
 17 the total sales tax revenue collected during the preceding month
 18 under the provisions of this chapter, except that collected under
 19 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
 20 business activities within a municipal corporation shall be
 21 allocated for distribution to the municipality and paid to the



22 municipal corporation. Except as otherwise provided in this
23 paragraph (a), on or before August 15, 1993, and each succeeding
24 month thereafter, eighteen and one-half percent (18-1/2%) of the
25 total sales tax revenue collected during the preceding month under
26 the provisions of this chapter, except that collected under the
27 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
28 27-65-24, on business activities within a municipal corporation
29 shall be allocated for distribution to the municipality and paid
30 to the municipal corporation. Except as otherwise provided in
31 this paragraph (a), on or before August 15, 2024, and each
32 succeeding month thereafter, nineteen and one-half percent
33 (19-1/2%) of the total sales tax revenue collected during the
34 preceding month under the provisions of this chapter, except that
35 collected under the provisions of Sections 27-65-15, 27-65-19(3),
36 27-65-21 and 27-65-24, on business activities within a municipal
37 corporation shall be allocated for distribution to the
38 municipality and paid to the municipal corporation. However, in
39 the event the State Auditor issues a certificate of noncompliance
40 pursuant to Section 21-35-31, the Department of Revenue shall
41 withhold ten percent (10%) of the allocations and payments to the
42 municipality that would otherwise be payable to the municipality
43 under this paragraph (a) until such time that the department
44 receives written notice of the cancellation of a certificate of
45 noncompliance from the State Auditor.



46 A municipal corporation, for the purpose of distributing the
47 tax under this subsection, shall mean and include all incorporated
48 cities, towns and villages.

49 Monies allocated for distribution and credited to a municipal
50 corporation under this paragraph may be pledged as security for a
51 loan if the distribution received by the municipal corporation is
52 otherwise authorized or required by law to be pledged as security
53 for such a loan.

54 In any county having a county seat that is not an
55 incorporated municipality, the distribution provided under this
56 subsection shall be made as though the county seat was an
57 incorporated municipality; however, the distribution to the
58 municipality shall be paid to the county treasury in which the
59 municipality is located, and those funds shall be used for road,
60 bridge and street construction or maintenance in the county.

61 (b) On or before August 15, 2006, and each succeeding
62 month thereafter, eighteen and one-half percent (18-1/2%) of the
63 total sales tax revenue collected during the preceding month under
64 the provisions of this chapter, except that collected under the
65 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
66 business activities on the campus of a state institution of higher
67 learning or community or junior college whose campus is not
68 located within the corporate limits of a municipality, shall be
69 allocated for distribution to the state institution of higher



70 learning or community or junior college and paid to the state
71 institution of higher learning or community or junior college.

72 (c) On or before August 15, 2018, and each succeeding
73 month thereafter until August 14, 2019, two percent (2%) of the
74 total sales tax revenue collected during the preceding month under
75 the provisions of this chapter, except that collected under the
76 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
77 27-65-24, on business activities within the corporate limits of
78 the City of Jackson, Mississippi, shall be deposited into the
79 Capitol Complex Improvement District Project Fund created in
80 Section 29-5-215. On or before August 15, 2019, and each
81 succeeding month thereafter until August 14, 2020, four percent
82 (4%) of the total sales tax revenue collected during the preceding
83 month under the provisions of this chapter, except that collected
84 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
85 and 27-65-24, on business activities within the corporate limits
86 of the City of Jackson, Mississippi, shall be deposited into the
87 Capitol Complex Improvement District Project Fund created in
88 Section 29-5-215. On or before August 15, 2020, and each
89 succeeding month thereafter through July 15, 2023, six percent
90 (6%) of the total sales tax revenue collected during the preceding
91 month under the provisions of this chapter, except that collected
92 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
93 and 27-65-24, on business activities within the corporate limits
94 of the City of Jackson, Mississippi, shall be deposited into the



95 Capitol Complex Improvement District Project Fund created in
96 Section 29-5-215. On or before August 15, 2023, and each
97 succeeding month thereafter, nine percent (9%) of the total sales
98 tax revenue collected during the preceding month under the
99 provisions of this chapter, except that collected under the
100 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
101 27-65-24, on business activities within the corporate limits of
102 the City of Jackson, Mississippi, shall be deposited into the
103 Capitol Complex Improvement District Project Fund created in
104 Section 29-5-215.

105 (d) (i) On or before the fifteenth day of the month
106 that the diversion authorized by this section begins, and each
107 succeeding month thereafter, eighteen and one-half percent
108 (18-1/2%) of the total sales tax revenue collected during the
109 preceding month under the provisions of this chapter, except that
110 collected under the provisions of Sections 27-65-15, 27-65-19(3)
111 and 27-65-21, on business activities within a redevelopment
112 project area developed under a redevelopment plan adopted under
113 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
114 allocated for distribution to the county in which the project area
115 is located if:

- 116 1. The county:
- 117 a. Borders on the Mississippi Sound and
118 the State of Alabama, or



119 b. Is Harrison County, Mississippi, and
120 the project area is within a radius of two (2) miles from the
121 intersection of Interstate 10 and Menge Avenue;

122 2. The county has issued bonds under Section
123 21-45-9 to finance all or a portion of a redevelopment project in
124 the redevelopment project area;

125 3. Any debt service for the indebtedness
126 incurred is outstanding; and

127 4. A development with a value of Ten Million
128 Dollars (\$10,000,000.00) or more is, or will be, located in the
129 redevelopment area.

130 (ii) Before any sales tax revenue may be allocated
131 for distribution to a county under this paragraph, the county
132 shall certify to the Department of Revenue that the requirements
133 of this paragraph have been met, the amount of bonded indebtedness
134 that has been incurred by the county for the redevelopment project
135 and the expected date the indebtedness incurred by the county will
136 be satisfied.

137 (iii) The diversion of sales tax revenue
138 authorized by this paragraph shall begin the month following the
139 month in which the Department of Revenue determines that the
140 requirements of this paragraph have been met. The diversion shall
141 end the month the indebtedness incurred by the county is
142 satisfied. All revenue received by the county under this
143 paragraph shall be deposited in the fund required to be created in



144 the tax increment financing plan under Section 21-45-11 and be
145 utilized solely to satisfy the indebtedness incurred by the
146 county.

147 (e) (i) On or before August 15 of any fiscal year
148 commencing on or after July 1, 2025, that follows a fiscal year in
149 which the total amount of general fund revenue collected in such
150 prior fiscal year exceeds by two percent (2%) or more the total
151 amount of general fund revenue collected in the fiscal year
152 immediately prior to that fiscal year (as certified by the
153 Commissioner of Revenue), and each succeeding month thereafter
154 through July 15 of a fiscal year in which subparagraph (ii) of
155 this paragraph is implemented, one-half of one percent (1/2%) of
156 the total sales tax revenue collected during the preceding month
157 under the provisions of this chapter, except that collected under
158 the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
159 27-65-24, on business activities within a municipal corporation
160 shall be allocated for distribution to the municipality and paid
161 to the municipal corporation.

162 (ii) On or before August 15 of any fiscal year
163 subsequent to the fiscal year in which the diversion provided for
164 in subparagraph (i) of this paragraph is implemented that follows
165 a fiscal year in which the total amount of general fund revenue
166 collected in such prior fiscal year exceeds by two percent (2%) or
167 more the total amount of general fund revenue collected in the
168 fiscal year immediately prior to that fiscal year (as certified by



169 the Commissioner of Revenue), and each succeeding month thereafter
170 through July 15 of a fiscal year in which subparagraph (iii) of
171 this paragraph is implemented, one percent (1%) of the total sales
172 tax revenue collected during the preceding month under the
173 provisions of this chapter, except that collected under the
174 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
175 27-65-24, on business activities within a municipal corporation
176 shall be allocated for distribution to the municipality and paid
177 to the municipal corporation.

178 (iii) On or before August 15 of any fiscal year
179 subsequent to the fiscal year in which the diversion provided for
180 in subparagraph (ii) of this paragraph is implemented that follows
181 a fiscal year in which the total amount of general fund revenue
182 collected in such prior fiscal year exceeds by two percent (2%) or
183 more the total amount of general fund revenue collected in the
184 fiscal year immediately prior to that fiscal year (as certified by
185 the Commissioner of Revenue), and each succeeding month thereafter
186 through July 15 of a fiscal year in which subparagraph (iv) of
187 this paragraph is implemented, one and one-half percent (1-1/2%)
188 of the total sales tax revenue collected during the preceding
189 month under the provisions of this chapter, except that collected
190 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
191 and 27-65-24, on business activities within a municipal
192 corporation shall be allocated for distribution to the
193 municipality and paid to the municipal corporation.



194 (iv) On or before August 15 of any fiscal year
195 subsequent to the fiscal year in which the diversion provided for
196 in subparagraph (iii) of this paragraph is implemented that
197 follows a fiscal year in which the total amount of general fund
198 revenue collected in such prior fiscal year exceeds by two percent
199 (2%) or more the total amount of general fund revenue collected in
200 the fiscal year immediately prior to that fiscal year (as
201 certified by the Commissioner of Revenue), and each succeeding
202 month thereafter through July 15 of a fiscal year in which
203 subparagraph (v) of this paragraph is implemented, two percent
204 (2%) of the total sales tax revenue collected during the preceding
205 month under the provisions of this chapter, except that collected
206 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
207 and 27-65-24, on business activities within a municipal
208 corporation shall be allocated for distribution to the
209 municipality and paid to the municipal corporation.

210 (v) On or before August 15 of any fiscal year
211 subsequent to the fiscal year in which the diversion provided for
212 in subparagraph (iv) of this paragraph is implemented that follows
213 a fiscal year in which the total amount of general fund revenue
214 collected in such prior fiscal year exceeds by two percent (2%) or
215 more the total amount of general fund revenue collected in the
216 fiscal year immediatley prior to that fiscal year (as certified by
217 the Commissioner of Revenue), and each succeeding month
218 thereafter, two and one-half percent (2-1/2%) of the total sales



219 tax revenue collected during the preceding month under the
220 provisions of this chapter, except that collected under the
221 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
222 27-65-24, on business activities within a municipal corporation
223 shall be allocated for distribution to the municipality and paid
224 to the municipal corporation.

225 (vi) The Commissioner of Revenue shall, after the
226 close of each fiscal year, certify to the Legislative Budget
227 Office and the Governor as to whether the total amount of general
228 fund revenue collections for that fiscal year increased by two
229 percent (2%) or more over the prior fiscal year. If the certified
230 increase is two percent (2%) or more the appropriate increase in
231 the allocation of sales tax revenue for distribution to municipal
232 corporations authorized under this paragraph shall be implemented.

233 (vii) Monies allocated for distribution and
234 credited to a municipal corporation under this paragraph may be
235 pledged as security for a loan if the distribution received by the
236 municipal corporation is otherwise authorized or required by law
237 to be pledged as security for such a loan.

238 (viii) The amount paid to a municipal corporation
239 under this paragraph shall be in addition to any other funds
240 allocated for distribution to the various municipal corporations
241 under this section.

242 (2) On or before September 15, 1987, and each succeeding
243 month thereafter, from the revenue collected under this chapter



244 during the preceding month, One Million One Hundred Twenty-five
245 Thousand Dollars (\$1,125,000.00) shall be allocated for
246 distribution to municipal corporations as defined under subsection
247 (1) of this section in the proportion that the number of gallons
248 of gasoline and diesel fuel sold by distributors to consumers and
249 retailers in each such municipality during the preceding fiscal
250 year bears to the total gallons of gasoline and diesel fuel sold
251 by distributors to consumers and retailers in municipalities
252 statewide during the preceding fiscal year. The Department of
253 Revenue shall require all distributors of gasoline and diesel fuel
254 to report to the department monthly the total number of gallons of
255 gasoline and diesel fuel sold by them to consumers and retailers
256 in each municipality during the preceding month. The Department
257 of Revenue shall have the authority to promulgate such rules and
258 regulations as is necessary to determine the number of gallons of
259 gasoline and diesel fuel sold by distributors to consumers and
260 retailers in each municipality. In determining the percentage
261 allocation of funds under this subsection for the fiscal year
262 beginning July 1, 1987, and ending June 30, 1988, the Department
263 of Revenue may consider gallons of gasoline and diesel fuel sold
264 for a period of less than one (1) fiscal year. For the purposes
265 of this subsection, the term "fiscal year" means the fiscal year
266 beginning July 1 of a year.

267 (3) On or before September 15, 1987, and on or before the
268 fifteenth day of each succeeding month, until the date specified



269 in Section 65-39-35, the proceeds derived from contractors' taxes
270 levied under Section 27-65-21 on contracts for the construction or
271 reconstruction of highways designated under the highway program
272 created under Section 65-3-97 shall, except as otherwise provided
273 in Section 31-17-127, be deposited into the State Treasury to the
274 credit of the State Highway Fund to be used to fund that highway
275 program. The Mississippi Department of Transportation shall
276 provide to the Department of Revenue such information as is
277 necessary to determine the amount of proceeds to be distributed
278 under this subsection.

279 (4) On or before August 15, 1994, and on or before the
280 fifteenth day of each succeeding month through July 15, 1999, from
281 the proceeds of gasoline, diesel fuel or kerosene taxes as
282 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
283 (\$4,000,000.00) shall be deposited in the State Treasury to the
284 credit of a special fund designated as the "State Aid Road Fund,"
285 created by Section 65-9-17. On or before August 15, 1999, and on
286 or before the fifteenth day of each succeeding month, from the
287 total amount of the proceeds of gasoline, diesel fuel or kerosene
288 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
289 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
290 one-fourth percent (23-1/4%) of those funds, whichever is the
291 greater amount, shall be deposited in the State Treasury to the
292 credit of the "State Aid Road Fund," created by Section 65-9-17.
293 Those funds shall be pledged to pay the principal of and interest



294 on state aid road bonds heretofore issued under Sections 19-9-51
295 through 19-9-77, in lieu of and in substitution for the funds
296 previously allocated to counties under this section. Those funds
297 may not be pledged for the payment of any state aid road bonds
298 issued after April 1, 1981; however, this prohibition against the
299 pledging of any such funds for the payment of bonds shall not
300 apply to any bonds for which intent to issue those bonds has been
301 published for the first time, as provided by law before March 29,
302 1981. From the amount of taxes paid into the special fund under
303 this subsection and subsection (9) of this section, there shall be
304 first deducted and paid the amount necessary to pay the expenses
305 of the Office of State Aid Road Construction, as authorized by the
306 Legislature for all other general and special fund agencies. The
307 remainder of the fund shall be allocated monthly to the several
308 counties in accordance with the following formula:

309 (a) One-third (1/3) shall be allocated to all counties
310 in equal shares;

311 (b) One-third (1/3) shall be allocated to counties
312 based on the proportion that the total number of rural road miles
313 in a county bears to the total number of rural road miles in all
314 counties of the state; and

315 (c) One-third (1/3) shall be allocated to counties
316 based on the proportion that the rural population of the county
317 bears to the total rural population in all counties of the state,
318 according to the latest federal decennial census.



319 For the purposes of this subsection, the term "gasoline,
320 diesel fuel or kerosene taxes" means such taxes as defined in
321 paragraph (f) of Section 27-5-101.

322 The amount of funds allocated to any county under this
323 subsection for any fiscal year after fiscal year 1994 shall not be
324 less than the amount allocated to the county for fiscal year 1994.

325 Any reference in the general laws of this state or the
326 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
327 construed to refer and apply to subsection (4) of Section
328 27-65-75.

329 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
330 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
331 the special fund known as the "Educational Facilities Revolving
332 Loan Fund" created and existing under the provisions of Section
333 37-47-24. Those payments into that fund are to be made on the
334 last day of each succeeding month hereafter. This subsection (5)
335 shall stand repealed on July 1, 2026.

336 (6) An amount each month beginning August 15, 1983, through
337 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
338 1983, shall be paid into the special fund known as the
339 Correctional Facilities Construction Fund created in Section 6,
340 Chapter 542, Laws of 1983.

341 (7) On or before August 15, 1992, and each succeeding month
342 thereafter through July 15, 2000, two and two hundred sixty-six
343 one-thousandths percent (2.266%) of the total sales tax revenue



344 collected during the preceding month under the provisions of this
345 chapter, except that collected under the provisions of Section
346 27-65-17(2), shall be deposited by the department into the School
347 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
348 or before August 15, 2000, and each succeeding month thereafter,
349 two and two hundred sixty-six one-thousandths percent (2.266%) of
350 the total sales tax revenue collected during the preceding month
351 under the provisions of this chapter, except that collected under
352 the provisions of Section 27-65-17(2), shall be deposited into the
353 School Ad Valorem Tax Reduction Fund created under Section
354 37-61-35 until such time that the total amount deposited into the
355 fund during a fiscal year equals Forty-two Million Dollars
356 (\$42,000,000.00). Thereafter, the amounts diverted under this
357 subsection (7) during the fiscal year in excess of Forty-two
358 Million Dollars (\$42,000,000.00) shall be deposited into the
359 Education Enhancement Fund created under Section 37-61-33 for
360 appropriation by the Legislature as other education needs and
361 shall not be subject to the percentage appropriation requirements
362 set forth in Section 37-61-33.

363 (8) On or before August 15, 1992, and each succeeding month
364 thereafter, nine and seventy-three one-thousandths percent
365 (9.073%) of the total sales tax revenue collected during the
366 preceding month under the provisions of this chapter, except that
367 collected under the provisions of Section 27-65-17(2), shall be



368 deposited into the Education Enhancement Fund created under
369 Section 37-61-33.

370 (9) On or before August 15, 1994, and each succeeding month
371 thereafter, from the revenue collected under this chapter during
372 the preceding month, Two Hundred Fifty Thousand Dollars
373 (\$250,000.00) shall be paid into the State Aid Road Fund.

374 (10) On or before August 15, 1994, and each succeeding month
375 thereafter through August 15, 1995, from the revenue collected
376 under this chapter during the preceding month, Two Million Dollars
377 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
378 Valorem Tax Reduction Fund established in Section 27-51-105.

379 (11) Notwithstanding any other provision of this section to
380 the contrary, on or before February 15, 1995, and each succeeding
381 month thereafter, the sales tax revenue collected during the
382 preceding month under the provisions of Section 27-65-17(2) and
383 the corresponding levy in Section 27-65-23 on the rental or lease
384 of private carriers of passengers and light carriers of property
385 as defined in Section 27-51-101 shall be deposited, without
386 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
387 established in Section 27-51-105.

388 (12) Notwithstanding any other provision of this section to
389 the contrary, on or before August 15, 1995, and each succeeding
390 month thereafter, the sales tax revenue collected during the
391 preceding month under the provisions of Section 27-65-17(1) on
392 retail sales of private carriers of passengers and light carriers



393 of property, as defined in Section 27-51-101 and the corresponding
394 levy in Section 27-65-23 on the rental or lease of these vehicles,
395 shall be deposited, after diversion, into the Motor Vehicle Ad
396 Valorem Tax Reduction Fund established in Section 27-51-105.

397 (13) On or before July 15, 1994, and on or before the
398 fifteenth day of each succeeding month thereafter, that portion of
399 the avails of the tax imposed in Section 27-65-22 that is derived
400 from activities held on the Mississippi State Fairgrounds Complex
401 shall be paid into a special fund that is created in the State
402 Treasury and shall be expended upon legislative appropriation
403 solely to defray the costs of repairs and renovation at the Trade
404 Mart and Coliseum.

405 (14) On or before August 15, 1998, and each succeeding month
406 thereafter through July 15, 2005, that portion of the avails of
407 the tax imposed in Section 27-65-23 that is derived from sales by
408 cotton compresses or cotton warehouses and that would otherwise be
409 paid into the General Fund shall be deposited in an amount not to
410 exceed Two Million Dollars (\$2,000,000.00) into the special fund
411 created under Section 69-37-39. On or before August 15, 2007, and
412 each succeeding month thereafter through July 15, 2010, that
413 portion of the avails of the tax imposed in Section 27-65-23 that
414 is derived from sales by cotton compresses or cotton warehouses
415 and that would otherwise be paid into the General Fund shall be
416 deposited in an amount not to exceed Two Million Dollars
417 (\$2,000,000.00) into the special fund created under Section



418 69-37-39 until all debts or other obligations incurred by the
419 Certified Cotton Growers Organization under the Mississippi Boll
420 Weevil Management Act before January 1, 2007, are satisfied in
421 full. On or before August 15, 2010, and each succeeding month
422 thereafter through July 15, 2011, fifty percent (50%) of that
423 portion of the avails of the tax imposed in Section 27-65-23 that
424 is derived from sales by cotton compresses or cotton warehouses
425 and that would otherwise be paid into the General Fund shall be
426 deposited into the special fund created under Section 69-37-39
427 until such time that the total amount deposited into the fund
428 during a fiscal year equals One Million Dollars (\$1,000,000.00).
429 On or before August 15, 2011, and each succeeding month
430 thereafter, that portion of the avails of the tax imposed in
431 Section 27-65-23 that is derived from sales by cotton compresses
432 or cotton warehouses and that would otherwise be paid into the
433 General Fund shall be deposited into the special fund created
434 under Section 69-37-39 until such time that the total amount
435 deposited into the fund during a fiscal year equals One Million
436 Dollars (\$1,000,000.00).

437 (15) Notwithstanding any other provision of this section to
438 the contrary, on or before September 15, 2000, and each succeeding
439 month thereafter, the sales tax revenue collected during the
440 preceding month under the provisions of Section
441 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,



442 without diversion, into the Telecommunications Ad Valorem Tax
443 Reduction Fund established in Section 27-38-7.

444 (16) (a) On or before August 15, 2000, and each succeeding
445 month thereafter, the sales tax revenue collected during the
446 preceding month under the provisions of this chapter on the gross
447 proceeds of sales of a project as defined in Section 57-30-1 shall
448 be deposited, after all diversions except the diversion provided
449 for in subsection (1) of this section, into the Sales Tax
450 Incentive Fund created in Section 57-30-3.

451 (b) On or before August 15, 2007, and each succeeding
452 month thereafter, eighty percent (80%) of the sales tax revenue
453 collected during the preceding month under the provisions of this
454 chapter from the operation of a tourism project under the
455 provisions of Sections 57-26-1 through 57-26-5, shall be
456 deposited, after the diversions required in subsections (7) and
457 (8) of this section, into the Tourism Project Sales Tax Incentive
458 Fund created in Section 57-26-3.

459 (17) Notwithstanding any other provision of this section to
460 the contrary, on or before April 15, 2002, and each succeeding
461 month thereafter, the sales tax revenue collected during the
462 preceding month under Section 27-65-23 on sales of parking
463 services of parking garages and lots at airports shall be
464 deposited, without diversion, into the special fund created under
465 Section 27-5-101(d).

466 (18) [Repealed]



467 (19) (a) On or before August 15, 2005, and each succeeding
468 month thereafter, the sales tax revenue collected during the
469 preceding month under the provisions of this chapter on the gross
470 proceeds of sales of a business enterprise located within a
471 redevelopment project area under the provisions of Sections
472 57-91-1 through 57-91-11, and the revenue collected on the gross
473 proceeds of sales from sales made to a business enterprise located
474 in a redevelopment project area under the provisions of Sections
475 57-91-1 through 57-91-11 (provided that such sales made to a
476 business enterprise are made on the premises of the business
477 enterprise), shall, except as otherwise provided in this
478 subsection (19), be deposited, after all diversions, into the
479 Redevelopment Project Incentive Fund as created in Section
480 57-91-9.

481 (b) For a municipality participating in the Economic
482 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
483 the diversion provided for in subsection (1) of this section
484 attributable to the gross proceeds of sales of a business
485 enterprise located within a redevelopment project area under the
486 provisions of Sections 57-91-1 through 57-91-11, and attributable
487 to the gross proceeds of sales from sales made to a business
488 enterprise located in a redevelopment project area under the
489 provisions of Sections 57-91-1 through 57-91-11 (provided that
490 such sales made to a business enterprise are made on the premises
491 of the business enterprise), shall be deposited into the



492 Redevelopment Project Incentive Fund as created in Section
493 57-91-9, as follows:

494 (i) For the first six (6) years in which payments
495 are made to a developer from the Redevelopment Project Incentive
496 Fund, one hundred percent (100%) of the diversion shall be
497 deposited into the fund;

498 (ii) For the seventh year in which such payments
499 are made to a developer from the Redevelopment Project Incentive
500 Fund, eighty percent (80%) of the diversion shall be deposited
501 into the fund;

502 (iii) For the eighth year in which such payments
503 are made to a developer from the Redevelopment Project Incentive
504 Fund, seventy percent (70%) of the diversion shall be deposited
505 into the fund;

506 (iv) For the ninth year in which such payments are
507 made to a developer from the Redevelopment Project Incentive Fund,
508 sixty percent (60%) of the diversion shall be deposited into the
509 fund; and

510 (v) For the tenth year in which such payments are
511 made to a developer from the Redevelopment Project Incentive Fund,
512 fifty percent (50%) of the funds shall be deposited into the fund.

513 (20) On or before January 15, 2007, and each succeeding
514 month thereafter, eighty percent (80%) of the sales tax revenue
515 collected during the preceding month under the provisions of this
516 chapter from the operation of a tourism project under the



517 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
518 after the diversions required in subsections (7) and (8) of this
519 section, into the Tourism Sales Tax Incentive Fund created in
520 Section 57-28-3.

521 (21) (a) On or before April 15, 2007, and each succeeding
522 month thereafter through June 15, 2013, One Hundred Fifty Thousand
523 Dollars (\$150,000.00) of the sales tax revenue collected during
524 the preceding month under the provisions of this chapter shall be
525 deposited into the MMEIA Tax Incentive Fund created in Section
526 57-101-3.

527 (b) On or before July 15, 2013, and each succeeding
528 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
529 of the sales tax revenue collected during the preceding month
530 under the provisions of this chapter shall be deposited into the
531 Mississippi Development Authority Job Training Grant Fund created
532 in Section 57-1-451.

533 (22) On or before June 1, 2024, and each succeeding month
534 thereafter until December 31, 2057, an amount determined annually
535 by the Mississippi Development Authority of the sales tax revenue
536 collected during the preceding month under the provisions of this
537 chapter shall be deposited into the MMEIA Tax Incentive Fund
538 created in Section 18 of * * * Senate Bill No. 2001, 2024 Second
539 Extraordinary Session. This amount shall be based on estimated
540 payments due within the upcoming year to construction contractors
541 pursuant to construction contracts subject to the tax imposed by



542 Section 27-65-21 for construction to be performed on the project
543 site of a project defined under Section 57-75-5(f) (xxxiii) for the
544 coming year.

545 (23) Notwithstanding any other provision of this section to
546 the contrary, on or before August 15, 2009, and each succeeding
547 month thereafter, the sales tax revenue collected during the
548 preceding month under the provisions of Section 27-65-201 shall be
549 deposited, without diversion, into the Motor Vehicle Ad Valorem
550 Tax Reduction Fund established in Section 27-51-105.

551 (24) (a) On or before August 15, 2019, and each month
552 thereafter through July 15, 2020, one percent (1%) of the total
553 sales tax revenue collected during the preceding month from
554 restaurants and hotels shall be allocated for distribution to the
555 Mississippi Development Authority Tourism Advertising Fund
556 established under Section 57-1-64, to be used exclusively for the
557 purpose stated therein. On or before August 15, 2020, and each
558 month thereafter through July 15, 2021, two percent (2%) of the
559 total sales tax revenue collected during the preceding month from
560 restaurants and hotels shall be allocated for distribution to the
561 Mississippi Development Authority Tourism Advertising Fund
562 established under Section 57-1-64, to be used exclusively for the
563 purpose stated therein. On or before August 15, 2021, and each
564 month thereafter, three percent (3%) of the total sales tax
565 revenue collected during the preceding month from restaurants and
566 hotels shall be allocated for distribution to the Mississippi



567 Development Authority Tourism Advertising Fund established under
568 Section 57-1-64, to be used exclusively for the purpose stated
569 therein. The revenue diverted pursuant to this subsection shall
570 not be available for expenditure until February 1, 2020.

571 (b) The Joint Legislative Committee on Performance
572 Evaluation and Expenditure Review (PEER) must provide an annual
573 report to the Legislature indicating the amount of funds deposited
574 into the Mississippi Development Authority Tourism Advertising
575 Fund established under Section 57-1-64, and a detailed record of
576 how the funds are spent.

577 (25) The remainder of the amounts collected under the
578 provisions of this chapter shall be paid into the State Treasury
579 to the credit of the General Fund.

580 (26) (a) It shall be the duty of the municipal officials of
581 any municipality that expands its limits, or of any community that
582 incorporates as a municipality, to notify the commissioner of that
583 action thirty (30) days before the effective date. Failure to so
584 notify the commissioner shall cause the municipality to forfeit
585 the revenue that it would have been entitled to receive during
586 this period of time when the commissioner had no knowledge of the
587 action.

588 (b) (i) Except as otherwise provided in subparagraph
589 (ii) of this paragraph, if any funds have been erroneously
590 disbursed to any municipality or any overpayment of tax is
591 recovered by the taxpayer, the commissioner may make correction



592 and adjust the error or overpayment with the municipality by
593 withholding the necessary funds from any later payment to be made
594 to the municipality.

595 (ii) Subject to the provisions of Sections
596 27-65-51 and 27-65-53, if any funds have been erroneously
597 disbursed to a municipality under subsection (1) of this section
598 for a period of three (3) years or more, the maximum amount that
599 may be recovered or withheld from the municipality is the total
600 amount of funds erroneously disbursed for a period of three (3)
601 years beginning with the date of the first erroneous disbursement.
602 However, if during such period, a municipality provides written
603 notice to the Department of Revenue indicating the erroneous
604 disbursement of funds, then the maximum amount that may be
605 recovered or withheld from the municipality is the total amount of
606 funds erroneously disbursed for a period of one (1) year beginning
607 with the date of the first erroneous disbursement.

608 **SECTION 2.** This act shall take effect and be in force from
609 and after July 1, 2024.

